Investments Requiring Prior OCC Approval Under Part 24

Most national banks can self-certify Part 24 investments by notifying the OCC within 10 days after making the investments. The self-certification process provides national banks with the flexibility to take advantage of investment opportunities within short time frames. A bank must be "eligible" to self-certify (*see* Section 24.2(e)) and its investments must comply with Part 24's public welfare and investment limit requirements (*see* Sections 24.3 and 24.4).

Part 24 requires the OCC to publish investments that are inappropriate for banks' self-certification. To date, these include:

When a bank's investment, plus prior Part 24 investments and outstanding liabilities, total an amount in excess of 5 percent of the bank's capital and surplus. For this kind of investment, prior OCC approval is required. Well-capitalized banks may receive OCC approval to self-certify future Part 24 investments up to 10 percent of its capital and surplus, under appropriate conditions. For a bank to receive OCC approval to self-certify its Part 24 investments up to 10 percent of its capital and surplus, the bank must (1) make this request in writing, along with a request for prior OCC approval of a Part 24 investment; (2) self-certify each subsequent investment, within 10 days after it is made, by completing and submitting the CD–1 form.

- A bank's investment that involves other real estate owned (OREO).
- Any investment by a bank that does not meet the definition of an "eligible" bank (Section 24.2(e)) for self-certification.

A bank may submit to the OCC a request for prior approval of such investments. A bank may not make an investment as a general partner under Part 24, because it would expose the bank to unlimited liability. However, under Part 24, a bank may invest in its CDC subsidiary that acts as a general partner in appropriate investment activities.